



NEWS RELEASE

DEFENSE FINANCE AND ACCOUNTING SERVICE

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For External Release

DFAS Pays Dual Compensation Act Recipients in Record Time

DFAS paid approximately 6,400 military retirees who are affected by repeal of the reduction in retired pay imposed by the Dual Compensation Act. On Nov. 1, 1999, all recipients had received pay adjustments without dual compensation or pay cap reductions. Retirees eligible for compensation under the Act began receiving pay account statements reflecting the pay change as early as Oct 20.

On Oct. 1, 1999, the "Repeal of Reduction in Retired Pay for Military Retirees Employed in Civilian Positions" in the Fiscal Year 2000 DoD Authorization Act took effect. The Secretary of Defense directed each military service's Secretary to provide the funding for their respective department to the military retirement fund. The exact amounts will be determined by the Department of Defense Retirement Board of Actuaries at the beginning of each fiscal year.

This act allows military members to accept civilian federal jobs upon retirement without a penalty of their military service retired pay. The dual compensation restriction was enacted under the Dual Compensation Act of 1964 and the pay cap restriction was enacted under the provisions of the Civil Service Reform Act of 1978.

If there are any questions, please call the Defense Finance and Accounting Service – Cleveland, (216) 522-6500.

For more information, contact Cathy Ferguson (703) 607-2716.